

Customer Stratification RESEARCH PROJECT



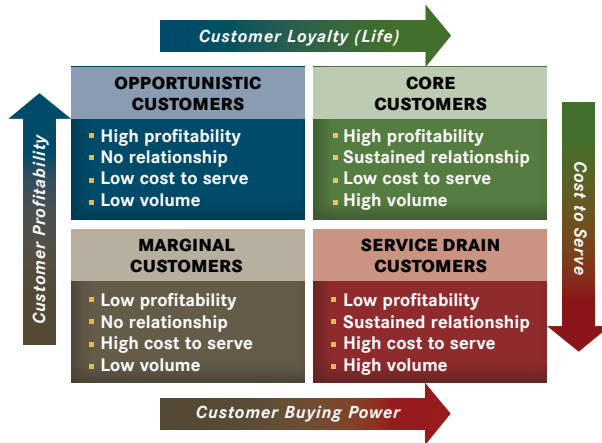
TEXAS A&M UNIVERSITY

Best Practices ★ Actionable Results ★ Education

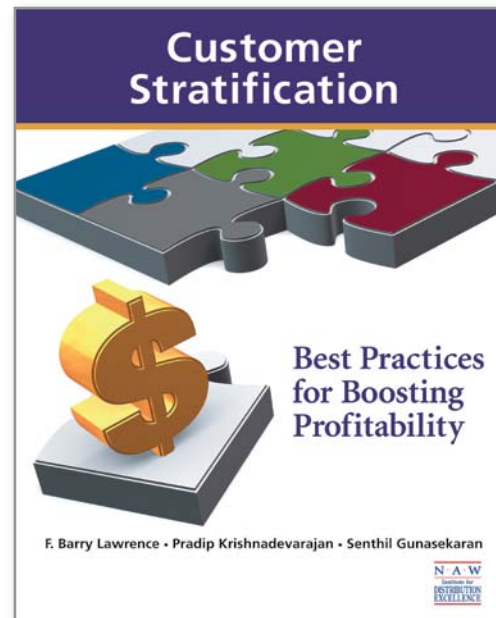
Distributor Process Framework



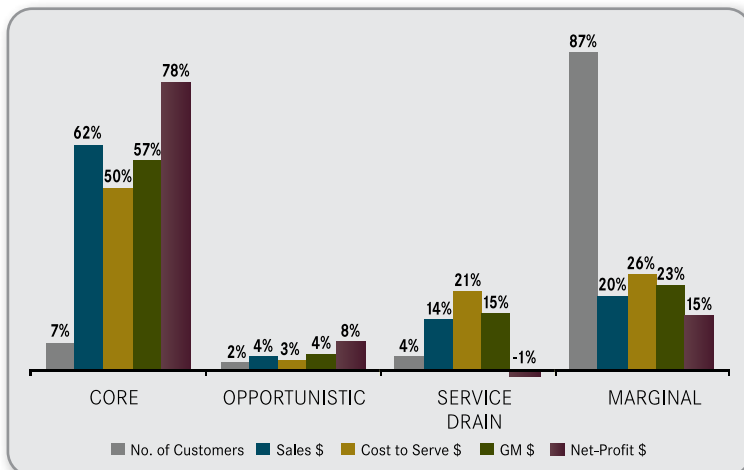
Stratification Model



Education & Roadmap



Sample Results



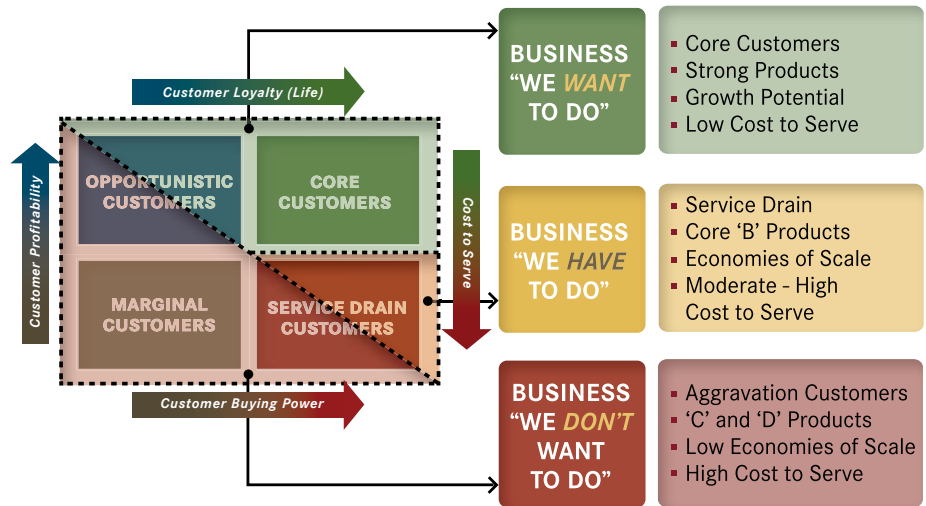
Industrial Distribution Program

Customer stratification is the process of classifying customers into groups based on various factors, such as profitability, revenue, loyalty, and cost-to-serve. The benefits of customer stratification are multifold, but the key gains are: pricing optimization, optimal sales force deployment, sales force compensation, and growth opportunities.

“Customer stratification has the power to enable us to transform our company from being product-driven to customer-driven. It has helped us understand our customers in greater detail, enabling us to optimize our selling resources, which will result in an improved ROI.”

Don Schalk, President and COO,
C.H. Briggs Company

Customer Strategies



“Customer stratification has greatly enhanced our understanding of our customers. We now know which customers maximize our value proposition. Linking customer stratification to our supplier and inventory systems empowers our team to quickly distill the variables affecting risk and reward so they can make better and more profitable business decisions.”

Frank Flynn, President, Sager Electronics

“Texas A&M’s Customer stratification book is well organized, thorough, and well written. Given the so-so experience of many wholesalers who engaged customer profitability in years past, it’s ashamed this text wasn’t written earlier. For account based actions that improve overall profitability, we can’t think of anything, past and present, that is better and more usable than Customer Stratification.”

Scott Benfield, Benfield Consulting

KEY TAKE-AWAYS

- How to effectively classify / segment the customer base?
- Structured easy-to-understand approach
- A practical approach to determine ‘cost-to-serve’ customers
- Systematically maximize margins
- Leverage existing system information
- Maximize your ROI on sales resources while balancing customer service
- Optimize sales force time investment
- Effective use of IT & human resources